

FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 10, 2001

J. Brian Murphy, Treasurer Democratic State Committee Delaware P.O. Box 2065 Wilmington, DE 19899

Identification Number: C00211763

Reference: 30 Day Post-General Report (10/19/00-11/27/00)

Dear Mr. Murphy:

This letter is to inform you that as of May 9, 2001, the Commission has not received your response to our request for additional information, dated April 18, 2001. This notice requests information essential to full public disclosure of your federal election campaign finances. To ensure compliance with the provisions of the Federal Election Campaign Act (the Act), please respond to this request (copy enclosed).

An adequate response must be received at the Commission by May 30, 2001. Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. Requests for extensions of time in which to respond will not be considered. Failure to provide an adequate response by this date may result in an audit of the committee. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action.

If you should have any questions regarding this matter, please contact Erik Koeppen on our toll-free number (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division) or our local number (202) 694-1130.

Sincerely,

John D. Gibson

Assistant Staff Director Reports Analysis Division



FEDERAL ELECTION COMMISSION

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J. Brian Murphy, Treasurer Democratic State Committee Delaware P.O. Box 2065 Wilmington, DE 19899

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Identification Number:

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Reference:

30 Day Post-General Report (10/19/00-11/27/00)

Dear Mr. Murphy:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule A of your report (pertinent portion(s) attached) discloses a contribution(s) which appears to exceed the limits set forth in the Act. 2 U.S.C. §441a(f) and 11 CFR §110.1(d) preclude a committee and its affiliates from receiving contributions from another political committee or person in excess of \$5,000 per calendar year.

If the contribution(s) in question was incompletely or incorrectly disclosed, you should amend your original report with the clarifying information. If the contribution(s) you received exceeded the limits, you must seek reattribution of the contribution pursuant to 11 CFR §110.1(k), transfer-out the amount in excess of \$5,000 to an account not used to influence federal elections or refund the excessive amount to the donor(s) in accordance with 11 CFR §103.3(b). In the best interest of your committee, all reattributions, transfers-out, and refunds should be made within sixty days of the treasurer's receipt of the contribution(s). In order to protect the donor's interests, the Commission recommends that you inform the contributor(s) in writing to provide the donor(s) with the option of granting written authorization for a reattribution or transfer-out to another account or receiving a refund.

DEMOCRATIC STATE COMMITTEE DELAWARE PAGE 2

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of your check for the transfer-out or refund. In addition, any reattributions should be reported as memo entries on Schedule A of the report covering the period during which the authorization for the reattribution is received. Any transfers-out or refunds should be disclosed on Schedule B supporting Line 22 or 28 of the report during which the transaction was made.

Although the Commission may take further legal action regarding the acceptance of an excessive contribution(s), prompt action by your committee to seek reattribution, transfer-out or refund the excessive amount will be taken into consideration.

-Schedule B supporting Line 22 (pertinent portion(s) attached) discloses \$105,065.19 in disbursements to Democratic State Committee Non-Federal Account for "Refund". You are advised that 11 CFR §102.5 prohibits a non-federal account from financing activity in connection with federal elections. Please provide clarifying information regarding these transactions including the date(s) when the original activity was conducted by the non-federal account. In addition, if any of the disbursements disclosed on Schedule B supporting Line 22 were made to influence the election or defeat of specific federal candidates, the disbursements should be allocated accordingly and disclosed as either in-kind contributions on Schedule B supporting Line 23, or as coordinated expenditures on Schedule F supporting Line 25. 11 CFR §§104.3(b)(3) and 106.1

Although the Commission may initiate legal action regarding the activities conducted by your non-federal account, any clarifying information that you can provide will be taken into consideration.

-Schedule B supporting Line 22 discloses a refund made to your non-federal account; however, it appears that the receipt of this contribution has not been reported by your committee. Please provide the original date of receipt of the contribution. In addition, you must amend the report covering the period during which the contribution was received to disclose the receipt on Schedule A supporting the appropriate line of the Detailed Summary Page. 11 CFR §103.3(b)(1)

-Schedule H4 discloses a disbursement(s) which is categorized as a

DEMOCRATIC STATE COMMITTEE DELAWARE PAGE 3

fundraising expense(s); however, a Schedule H2 has not been filled to disclose the allocation ratio. All committees are required to allocate the direct costs of each fundraising event in which the committee collects both federal and non-federal funds. The costs are allocated according to the funds received ratio and reported on Schedule H2. 11 CFR §§106.5(f) and 106.6(d). Please file a Schedule H2 to disclose the ratio for the fundraising event(s).

-Schedule H4 discloses a disbursement(s) which is categorized as an exempt expense(s); however, a Schedule H2 has not been filed to disclose the allocation ratio. All committees are required to allocate the direct costs of each exempt activity in which the committee disburses funds for both federal and non-federal purposes. The costs are allocated according to the time and space method and reported on Schedule H2. 11 CFR §106.5(e). Please file a Schedule H2 to disclose the ratio for the exempt activity.

-Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule(s) H4 of your report to clarify the following description(s): "Consultant", "Consultants", "GOTV", and "Contractor". For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

-Please clarify all expenditures for "voter registration" and "get-out-the-vote". In addition, if any of the voter registration or get-out-the-vote activities referenced House or Senate candidates, they should be allocated accordingly, unless merely incidental to the overall activity. If a portion or all of these expenditures were made on behalf of federal candidates, they should be reported on Schedules B, E or F for Lines 23, 24 or 25 of the Detailed Summary Page, as appropriate.

-You have made disbursements for "Advertising" which you have characterized as exempt activities. In order for an activity to be classified as exempt, it must meet the following conditions: (1) For slate cards and sample ballots: it names at least three candidates running for election to any public office, it is not distributed through public political advertising (including broadcast media, newspapers, magazines, and billboards), the content is limited to the identification of each candidate, the office or position currently held, the office sought and party affiliation, and the costs allocable to federal candidates are paid with permissible funds; (2) For

DEMOCRATIC STATE COMMITTEE DELAWARE PAGE 4

campaign materials: the activity is conducted on behalf of the party's nominees in the general election, the materials are distributed by volunteers--not through public political advertising, the party committee does not use materials purchased by the national party committee or money transferred from the national committee to purchase materials, the party committee does not use funds designated for a particular federal candidate, a payment from a non-federal campaign to help pay for the materials does not exceed its allocated share of the expenses, and the costs allocable to federal candidates are paid with permissible funds; (3) For voter drives: the activity is on behalf of the party's Presidential and Vice Presidential nominees, the activity does not involve the use of public political advertising such as television, radio, newspapers, magazines, billboards or direct mail, phone banks are operated by volunteers (although paid professionals may design the system, develop calling instructions and train supervisors), the party committee does not use funds transferred by the national party committee for voter drive activities, the party committee does not use funds designated for a particular federal candidate, and the cost allocable to federal candidates are paid with permissible funds.

If the activity disclosed on your report does not meet the definition of "exempt" activity as described above, and if any portion of the expenditures were made on behalf of specifically identified candidates, this amount must be disclosed on Schedule B or F supporting Line 23 or 25 of the Detailed Summary Page as appropriate. Please provide the Commission with a more detailed explanation of these activities.

-Please clarify all expenditures made for "Advertising" on Schedule(s) H4. If a portion or all of these expenditures were made on behalf of specifically identified federal candidates, this amount should be disclosed on Schedules B, E, or F supporting Lines 23, 24 or 25 and include the amount, name, address and office sought by each candidate. 11 CFR §§104.3(b) and 106.1

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely, City W. Loegen

Erik W. Koeppen

Reports Analysis Division

SCHEDULE A

ITEMIZED RECEIPTS

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FOR LINE	NUMBER
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New York, NY 10011	Occupation	11/03/2000	43,000.
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F. Full name, Marking Address and ZIP code New Jersey State Laborer's PAC 104 Interchange Pl. Ste 301	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period \$5,000
Cranbury, NJ 08512	Queupation .	11/03/2000	
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G. Full name, Marking Address and ZIP code UFCW Intl Union 1775 K. St NW	No can of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Washington, DC 20006	Decupation	10/31/2000	*-1
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SCHEDULE A

ITEMIZED RECEIPTS

TOTAL This Period (last page this line number only)

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Contributions from PACS Any information copied from such Reports and Statements may not be solder used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and actaess of any political committee to solicit contributions from such committee. Damocratic State Committee (Delawrate) NAME OF COMMITTEE (In Full) Amount of Each Receipt This Pediad Dela (month, day, year) Name of Employer A. Full name, Malling Address and ZP code Daimler Chrysler Political Support Committ PO Box 6040 \$1,500.00 Newark, DE 19714 05/23/2000 Оссырабов Gent/t hecelot for: Primary Aggregate Year-to-Date \$1,500.00 Other & pecify Amount of Each Resulpt Title Period Date (month, да me of £m рюуен B. Full pame, Mailing Address and ZIP code day, year) Advanta Corporation Employees PAC PO Box 15170 \$1,500.00 Wilmington, DE 19850 05/23/2000 Occupation Garage (c) tece pt for: Apparents Year-to-Date \$1,500.00 Other # predit Amount of Each Receipt This Funded De to (month. day, year) G. Pull name, Malking Address and ZIP code The NEA Fund For Children & Public Educ Name of Employer \$5,000.00 1201 16th Street Washington, DC 20036 05/15/2000 Occupation Omeral Primary Receipt for: \$5,000.00 Aggregate Teat-to-Date Cliver to pacify Amount of Exch Receipt This Period Date (restit), day, year) D. Fell name, Mailing Address and ZP code 1B.E.W. -C.O.P.E. 1125 15th Street, NW Home of Employee \$5,000.00 Washington, DC 20005 04/06/2000 Decupation <u>Gemeral</u> Primary Receipt for. \$5,000.00 Appregate Year-to-Date Other Recolf Amounts: Esch Receipt This Period Date (month, Kame of Employer E. Full name, Mailling Address and ZIP code day, year) Occupation Pileary Receipt for: Aggregate Year-to-Dale Other (specify) Amount of Each Receipt TMs Faciod De in generatio Rame of Employer F. Full name, Mailing Address and ZIP cods der, year Occupation Giller Princery Racelet for: Aggregate Year-to-Date Other (specify) Amount of Each Receipt This Pulled Data (mantik, Barne of Employer G. Fall name, Mailing Address and ZIP code CLY, PEET) Occupation GIME. Primary Rectipt for: Appregate Year-to-Cata Other (e pecify) SUBTOTAL of Receipts This page (Optional) \$13,060,60

SCHEDULE A

ITEMIZED RECEIPTS

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NAME OF COMMITTEE fin Full) Democratic State Comm	mittee (Delaware)		
L Fell manus, Madling Address and ZIP code Bayard, Richard H. O Red Oak Rd	Bayard Firm	Date (month, day, year)	Amount of Each Receipt This Paried \$250,00
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PO Box 617 Gladstone, NJ 07934	Occupation	10/25/2000	\$1,000.00
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6. Full name, Mailing Address and ZP code Comper, Lawrence B. 1250 Lake Hearn Dr. Ste 650	Self	day, year)	Receipt This Parisal \$2,500.0
Atlanta, GA 30342	Occupation	11/16/2000	1
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SCHEDULE B

ITEMIZED DISBURSEMENT

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Transfers to Affiliated/Other Party Committees (I	8 - Line 22)	Debided Summery Page	FOR LINE NUMBER
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	State Committee (Delaware)		
A. Fall name, Malling Address and ZIP code Democratic State Committee Non-Federal Ac PO Box 2065	Purpose of Debumanest Refund	Dels (month. day, year)	Amount of Each Mabus entert This Period
Wilmington, DE 19899	Distancement for: Primary Section Distance (specify)	J 10/25/2000	\$46.20
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PO Box 2065 Wilmington, DE 19899	Disburs except for: Privary General Other (specify)	10/25/2000	\$2,662.00
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PO Box 2065 Wilmington, DE 19899	Disbursement for: Printary Denomination (apacity)	10/25/2000	\$154,00
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Wilmington, DE 19899	Other (specify)	1 1023/2000	2740.73
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PO Box 2065 Wilmington, DE 19899	Opphysional for: Primary Good	11/01/2000	\$86,762.00 -
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430 S. Capital St SE Washington, DC 20003	Disburgament for: Primary Game	11/22/2009	\$6,300.00
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